

8/7/10

GREATER OUACHITA PORT COMMISSION  
WEST MONROE, LOUISIANA

---

COMPREHENSIVE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
DECEMBER 31, 2009

---

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/18/10

GREATER OUACHITA PORT COMMISSION  
DECEMBER 31, 2009

CONTENTS

	<u>PAGE</u>
Management's Discussion and Analysis.....	1-4
Independent Auditors' Report.....	5-6

FINANCIAL STATEMENTS

BUSINESS-TYPE ACTIVITIES

Statement of Net Assets.....	7
Statement of Revenues and Expenses.....	8
Statement of Changes in Net Assets.....	9
Statement of Cash Flows.....	10
Notes to Financial Statements.....	11-19

SUPPLEMENTAL INFORMATION

Schedule of Findings and Questioned Costs.....	20-21
Schedule of Prior Year Audit Findings.....	22

OTHER REPORTS

Report on Compliance and on Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	23-24
---	-------

**GREATER OUACHITA PORT COMMISSION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Greater Ouachita Port Commission's (the Commission) financial performance presents management's overview of the Port's financial activities for the year ended December 31, 2009. Please read it in conjunction with the Commission's financial statements.

**FINANCIAL HIGHLIGHTS**

For the year ended December 31, 2009, the Commission's Net Cash Provided(Used) by Operating Activities and Capital Contribution was \$(36,702), compared to 953,748 in the prior year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The Commission operates as an enterprise fund and presents its financial statements using the accrual basis of accounting. As an enterprise fund, the Commission's basic financial statements include three components: Management's Discussion and Analysis, Basic Financial Statements, and Notes to the Financial Statements.

The Statement of Net Assets includes all of the Commission's assets and liabilities, with the difference between the two reported as net assets. Net assets are reported as unrestricted at December 31, 2009. The increases or decreases in the Commission's net assets are an indicator of whether its financial position is improving or deteriorating. The Statement of Net Assets provides a basis for evaluating the capital structure of the Commission, and assessing its liquidity and financial flexibility.

The Statement of Revenues and Expenses shows how the Commission's net assets changed during the year. All of the current year's revenues and expenses were recorded when the underlying transaction occurs, regardless of the timing of related cash flows. The Statement of Activities measures the Commission's performance over the last year, and whether the Commission recovered its costs through fees and other revenues.

The Statement of Cash Flows provides information regarding the Commission's cash receipts and cash disbursements during the year. The statement reports cash activity in three categories, cash flows from operations, and cash flows from investing activities. This statement accounts only for transactions that result in cash receipts and cash disbursements.

**GREATER OUACHITA PORT COMMISSION  
FOR THE YEAR ENDED DECEMBER 31, 2009**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

The Notes to the Financial Statements provide a description of the accounting policies used to prepare the financial statements and presents material disclosures required by accounting principles generally accepted in the United States of America that are not otherwise presented in the financial statements.

**NET ASSETS**

For the year ended December 31, 2009, net assets changed as follows:

Beginning Net Assets	11,513,943
Increase in Net Assets	<u>( 474,003)</u>
 Ending Net Assets (Of Which 11,007,625 is Invested in Capital Assets)	 <u>11,039,940</u>

**CHANGE IN NET ASSETS**

During the year 2009, we purchased port equipment and made port improvements. The cost was approximately \$40,483.

The following schedule presents a summary of revenue and expenses for the fiscal years ended December 31, 2009 and 2008, and their percentage of total.

		%		%
	<u>12/31/09</u>	<u>12/31/09</u>	<u>12/31/08</u>	<u>12/31/08</u>
<u>Revenues</u>				
Grants	47,500	70.85	956,492	97.26
Donations	-	-	-	-
Other	<u>19,535</u>	<u>29.15</u>	<u>26,945</u>	<u>2.74</u>
 <u>Total Revenues</u>	 <u>67,035</u>	 <u>100.00</u>	 <u>983,437</u>	 <u>100.00</u>
<u>Expenses</u>				
Insurance	8,634	1.60	8,618	1.57
Depreciation	520,844	96.26	519,495	94.85
Professional Fees	7,735	1.42	7,600	1.38
Miscellaneous	2,542	.47	3,742	.68
Interest	<u>1,283</u>	<u>.25</u>	<u>8,245</u>	<u>1.52</u>
 <u>Total Expenses</u>	 <u>541,038</u>	 <u>100.00</u>	 <u>547,700</u>	 <u>100.00</u>
 <u>Excess Revenues (Expenses)</u>	 <u>(474,003)</u>		 <u>435,737</u>	

GREATER OUACHITA PORT COMMISSION  
FOR THE YEAR ENDED DECEMBER 31, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CHANGE IN NET ASSETS (Continued)

For the years ended December 31, 2009 and 2008, revenues and capital contributions exceeded expenses for 2008, but expenses exceeded revenues for 2009.

The Greater Ouachita Port Commission has been fortunate to receive funding necessary to construct, implement, and begin operating the initial phase of the port project. We have received a grant totaling \$1.0 million to construct a rail spur encompassing 1,000 linear feet. The current operation of this rail spur is to serve the outbound needs of Graphic Packaging of West Monroe and two (2) additional regional customers. By implementing this project, the Commission has been able to assist the State of Louisiana in retaining over 500 jobs with Graphic Packaging.

Bids for the Dock construction were received in May 2006. Subsequent to review of the three lowest bids, it became apparent that the cost of Dock construction would exceed available funding by approximately \$900,000. In order to maintain the selected bid provided by James Construction of Baton Rouge, the GOPC was forced to search additional funding sources to facilitate the shortfall. Therefore, the State of Louisiana provided an additional \$300,000 in Priority 2 Capital Outlay, and the GOPC garnered approval from the Louisiana State Bond Commission to borrow up to \$1,200,000 if necessary. Subsequent to the Bond Commission approval, the City of Monroe approved an Economic Development Grant to the GOPC for \$250,000. The GOPC Board expects the remaining funding necessary to complete the project to also take the form of Grant Funding at the State or Federal level. While borrowing capabilities are in place, the GOPC will use every effort to mitigate borrowing levels.

James Construction of Baton Rouge began construction of the Dock Facility in June 2006. Initial "Pile" testing proved to be favorable, and provided weather conditions remain favorable, construction timelines should be met. The dock was completed in early 2008.

The Greater Ouachita Port Commission was able to procure the residual construction funding through the state of Louisiana, more specifically, the Department of Transportation and Development.

**GREATER OUACHITA PORT COMMISSION**  
**FOR THE YEAR ENDED DECEMBER 31, 2009**

**MANAGEMENT'S DISCUSSION AND ANALYSIS** (Continued)

**CHANGE IN NET ASSETS (Continued)**

The Greater Ouachita Port Commission also procured funding for container storage. RFP's were sent, and the bid was awarded to Haddox Construction. The project was completed as planned and is currently being utilized for container storage adjacent to the rail spur.

RFP's were also issued for a 250 ton mobile crane. Head & Enquist was awarded the bid, and the cost will total approximately \$1.787 million. Funding for the crane is also state of Louisiana, the Department of Transportation and Development in the amount of \$1.3 million. The estimated \$450,000 shortfall was met initially by a short-term loan commitment at Community Trust Bank. Again, the GOPC has no intentions of maintaining long-term debt, and subsequently paid off the loan.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Commission's finances and to demonstrate the Commission's accountability for the financial resources it manages. If you have questions about this report or need additional financial information, contact the Greater Ouachita Port Commission, 101 Valley Road, West Monroe, Louisiana 71291.



Richard W. Guillot  
President

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC  
FAM BATTAGLIA, CPA  
JULIAN B. JOHNSTON, CPA



"The CPA. Never Underestimate The Value."

*Certified Public Accountants*

3007 Armand Street  
Monroe, Louisiana 71201

Telephone (318) 322-5158 or (318) 323-1411

Facsimile (318) 323-8331

- Accounting & Auditing
  - HUD Audits
  - Non-Profit Organizations
  - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

June 27, 2010

## INDEPENDENT AUDITORS' REPORT

To the Board of the  
Greater Ouachita Port Commission  
West Monroe, Louisiana

We have audited the accompanying component unit financial statements of the business-type activities of the Greater Ouachita Port Commission, as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fund information for the Greater Ouachita Port Commission as of December 31, 2009, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2010, on our consideration of the Greater Ouachita Port Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis on pages 1 through 4 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the basic financial statements of Greater Ouachita Port Commission taken as a whole. The accompanying financial information listed as supplementary financial information on pages 20 through 22 has been prepared in accordance with grantors' requirements and is not intended to be a complete presentation in accordance with accounting principles generally accepted in the United States of America. Such information on pages 20 through 22 has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

	<u>Business-Type Activities</u>
<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and Cash Equivalents	31,102
Accounts Receivable	<u>1,320</u>
<u>TOTAL CURRENT ASSETS</u>	<u>32,422</u>
<u>CAPITAL ASSETS</u>	
Land	900,000
Other Capital Assets, Net of Depreciation	<u>10,187,788</u>
<u>TOTAL CAPITAL ASSETS</u>	<u>11,087,788</u>
<u>TOTAL ASSETS</u>	<u>11,120,210</u>
<u>LIABILITIES AND NET ASSETS</u>	
<u>LIABILITIES</u>	
Accounts Payable - Operations	117
Notes Payable - Construction	<u>80,153</u>
<u>TOTAL LIABILITIES</u>	<u>80,270</u>
<u>NET ASSETS</u>	
Unrestricted Net Assets (Deficit)	32,305
Invested in Capital Assets	<u>11,007,635</u>
<u>TOTAL NET ASSETS</u>	<u>11,039,940</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>11,120,210</u>

The accompanying notes are an integral part of these financial statements.

- 7 -

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>OPERATING REVENUES</u>		
Port Operations		19,535
<u>OPERATING EXPENSES</u>		
Depreciation	520,844	
Professional Fees	7,735	
Insurance	8,634	
Other	<u>2,542</u>	
<u>TOTAL OPERATING EXPENSES</u>		<u>539,755</u>
<u>OPERATING INCOME (LOSS)</u>		(520,220)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Paid		( <u>1,283</u> )
<u>NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</u>		(521,503)
<u>CAPITAL CONTRIBUTIONS</u>		<u>47,500</u>
<u>CHANGE IN NET ASSETS - INCREASE (DECREASE)</u>		<u>(474,003)</u>

The accompanying notes are an integral part of these financial statements.

- 8 -

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>NET ASSETS - BEGINNING OF YEAR</u>	11,513,943
Changes in Net Assets - Increase (Decrease)	( 474,003)
<u>NET ASSETS - END OF YEAR</u>	<u>11,039,940</u>

The accompanying notes are an integral part of these financial statements.

- 9 -

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2009

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Decrease in Net Assets		(474,003)
Adjustments to Reconcile to Net Cash Provided By Operating Activities		
Depreciation	520,844	
Decrease in Accounts Payable - Operations	( 84,728)	
Decrease in Accounts Receivable	<u>1,185</u>	
Net Adjustments From Operating Activities		<u>437,301</u>
Net Cash Provided(Used) By Operating Activities		( 36,702)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Acquisition of Property	( 40,483)	
Cash Used by Investing Activities		( 40,483)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>		
Loan Proceeds	-	
Debt Repaid	( 63,322)	
Cash Used by Financing Activities		( 63,322)
<u>NET INCREASE(DECREASE) IN CASH</u>		(140,507)
<u>CASH AT BEGINNING OF YEAR</u>		<u>171,609</u>
<u>CASH AT END OF YEAR</u>		<u>31,102</u>
<u>SUPPLEMENTAL INFORMATION</u>		
Interest Paid		<u>1,283</u>
Cash from Customers		<u>20,720</u>

The accompanying notes are an integral part of these financial statements.

- 10 -

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

INTRODUCTION:

The Greater Ouachita Port Commission (the Commission) was created in 1998 by the Revised Statutes 34:1401 through 1406 by the Louisiana Legislature. The Commission is composed of seven members, who shall serve without compensation. The Commission shall exercise the powers therein conferred upon it, within the port area of Ouachita Parish. The Commission may authorize a reasonable travel allowance for its members in the performance of their duties, and it may employ such officers, or agents, and employees as it may find necessary in the performance of its duties, and may prescribe the duties, powers and compensation of such officers, agents, and employees. The Commission may, on such terms upon which it may agree, contract for legal, financial, engineering and other professional services necessary or expedient in the conduct of its affairs, and may on terms and conditions mutually agreeable, utilize the services of the executive department of the state.

The Commission shall have authority, when authorized to do so by a vote of a majority of the property taxpayers of the port area qualified to vote at an election for the purpose in accordance with law, to levy annually on all property situated within the port area, subject to taxation, an ad valorem tax not to exceed two and one-half mills on the dollar.

Also, the Commission may acquire by expropriation any wharves, landing, or any other properties necessary for the benefit and advantage of the commerce of the Commission.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Commission complies with accounting principles generally accepted in the United States of America (GAAP). GAAP includes all relevant Government Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent sections of this note.

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation Fund Accounting

The Commission's operations are accounted for in a proprietary fund type—the enterprise fund. The proprietary fund type is accounted for using the flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations are included on the balance sheet. Fund equity is segregated into contributed capital and retained earnings. The operating statement presents increases (revenues) and decreases (expenses) in net total assets.

The Commission's are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. The measurement focus emphasizes the determination of net income. The Commission follows the accrual basis of accounting for its proprietary fund. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Under the provisions of GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Fund Accounting," the Commission has elected not to follow Financial Accounting Standards Board guidance issued subsequent to November 30, 1989.

Bad Debts

The Commission uses the reserve method for bad debt charge offs. The Commission reviewed receivables at year end and determined there was no need for an allowance.

Reporting Entity

For financial reporting purposes, in conformity with GASB, the Greater Ouachita Port Commission is a component unit of the State of Louisiana. The financial reporting entity consists of (a) the primary government (State of Louisiana),

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity (Continued)

(b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the State of Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the State of Louisiana provides for the Port's operation and maintenance, the Greater Ouachita Port



GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity (Continued)

Commission was determined to be a component unit of the State of Louisiana, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the Greater Ouachita Port Commission and do not present information on the State of Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. For purposes of cash flows, the Commission considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Fund Equity

Equity is classified as net assets and displayed in three components:

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Equity (Continued)

1. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

NOTE 2 - CASH AND CASH EQUIVALENTS:

The Commission has cash and cash equivalents (book balances) totaling \$31,102.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 2009, are secured as follows:

FDIC	31,102
------	--------

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 3 - CAPITAL GRANTS CONTRIBUTIONS:

During the year ended December 31, 2009, the Commission received \$47,500 from the State of Louisiana. Such funds are to be used in connection with the Ouachita port terminal development.

NOTE 4 - OTHER AGREEMENTS AND SUBSEQUENT EVENTS:

The Commission has entered into a joint public-private development agreement with Ouachita Terminals to develop a marketing and business plan, to provide/develop funding sources and to select/develop a site for a port on the Ouachita River in Ouachita Parish, Louisiana. Certain fees and expenses will be reimbursed by the Commission. Amounts to be paid in future years are not presently determinable. The Commission has also entered into an agreement with Ouachita Terminals to operate the port. Ouachita Terminals will provide and pay for the day to day operating expenses of the port. Ouachita Terminals will also bill and collect the fees charged for port activities.

The Commission will receive fees from Ouachita Terminals based on shipping volume of the port.

The Commission has applied for port development funds from federal and state agencies.

NOTE 5 - RISK MANAGEMENT:

The Commission is exposed to various risks of loss related to torts, theft or damage to assets and errors and omissions. The Commission believes that any such loss is remote and has not purchased commercial insurance on such risk.

The Commission, at the present time, has no employees. However, if employees are hired, adequate workers compensation will be obtained.

NOTE 6 - BUDGET REQUIREMENTS:

The only activity of the Commission is enterprise activities. As the Commission has no general or special revenue funds, no budget is required.

GREATER OUACHITA PORT COMMISSION  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 7 - FIXED ASSETS:

Property and equipment acquired with the Commission funds are considered to be owned by the Commission while used in the program or in future authorized programs. However, funding sources have a revolutionary interest in these assets as well as the determination of use of any proceeds from the sale of these assets.

Fixed assets of the Port Commission are included at cost plus any construction period interest for all assets with a cost over \$1,000. Depreciation is recorded on all exhaustible assets using the straight-line method over the estimated life of each asset. Estimated useful lives are as follows:

Port Facilities	20 - 40 Years
Rail Facilities	20 Years
Furniture, Fixtures & Equipment	7 - 10 Years

Capital assets include the following:

Equipment	1,960,303
Land	900,000
Port Facilities	9,858,704
Accumulated Depreciation	( 1,631,219)
<u>Net</u>	<u>11,087,788</u>

Depreciation for 2009 is \$520,844. Construction of the port and rail facilities is ongoing.

NOTE 8 - CONTINGENCIES:

As of December 31, 2009, the Commission did not have any pending litigation or potential nondisclosed liabilities.

The Commission participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Commission has not complied with the rules and regulations governing the

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 8 - CONTINGENCIES: (Continued)

grants, refunds of any money received may be required. In the opinion of the Commission, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

The Commission has applied for funds for port development from various governmental agencies. If the Commission is not able to secure additional funding, it may have an adverse effect on the port development.

NOTE 9 - DEBT:

The Commission owes \$80,153 for loans obtained from the Community Trust Bank in Monroe, Louisiana. Such loans are to be repaid out of grant proceeds in future years. Loans are at an interest rate of 1.75% and are to be repaid in 2010.

NOTE 10 - FUNDING POLICIES AND SOURCES OF FUNDS:

The Commission receives a majority of its monies from federal and state agencies. If significant budget cuts are made at the federal/state level, it could have an adverse effect on the operations of the Commission.

NOTE 11 - BOARD OF COMMISSIONERS' COMPENSATION:

The Board of Commissioners is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 12 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Commission reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

GREATER OUACHITA PORT COMMISSION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE 13 - UNCERTAIN TAX POSITIONS:

The Commission is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Commission's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements.

NOTE 14 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Commission through June 27, 2010 and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

GREATER OUACHITA PORT COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2009

To the Board of the  
Greater Ouachita Port Commission  
West Monroe, Louisiana

We have audited the component unit financial statements of the business-type activities of the Greater Ouachita Port Commission as of and for the year ended December 31, 2009, and have issued our report thereon dated June 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2009, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

Report on Internal Control and Compliance Material to  
the Financial Statements

Internal Control

Material Weaknesses \_\_\_yes Xno

Significant Deficiencies \_\_\_yes Xno

Compliance

Compliance Material to Financial Statements

\_\_\_yes Xno



GREATER OUACHITA PORT COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

Section II - Financial Statement Findings

Internal Control

There were no findings nor questioned costs for internal control for the year ended December 31, 2009.

Compliance

There were no findings nor questioned costs for compliance for the year ended December 31, 2009.

Section III - Federal Award Findings and Questioned Costs

There were no findings or questioned costs for internal control and compliance. No questioned costs were noted.

GREATER OUACHITA PORT COMMISSION

PRIOR YEAR FINDINGS  
DECEMBER 31, 2009

Comments on Findings and Recommendations

None

Actions Taken or Planned

N/A

OTHER REPORTS

# JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC  
PAM BATTAGLIA, CPA  
JULIAN B. JOHNSTON, CPA



"The CPA. Never Underestimate The Value."  
**Certified Public Accountants**  
3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5158 or (318) 323-1411  
Facsimile (318) 323-8331

- Accounting & Auditing
  - HUD Audits
  - Non-Profit Organizations
  - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
  - Individual & Partnership
  - Corporate & Fiduciary
- Bookkeeping & Payroll Services

June 27, 2010

## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of the  
Greater Ouachita Port Commission  
West Monroe, Louisiana

We have audited the component unit financial statements of the business-typed activities of the Greater Ouachita Port Commission as of and for the year ended December 31, 2009, and have issued our report thereon dated June 27, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Greater Ouachita Port Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greater Ouachita Port Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Greater Ouachita Port Commission's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greater Ouachita Port Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Johnston, Perry, Johnson & Associates, L.L.P.*

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS